

CLEVELAND PUBLIC LIBRARY  
BUSINESS INFORMATION BUREAU  
CORPORATION FILE

# H. J. Heinz Company

MAKERS OF THE 57 VARIETIES

# Annual Report

FOR THE YEAR ENDED APRIL 30,

# 1952



ANNUAL REPORT OF  
H. J. HEINZ COMPANY

*Makers of the 57 Varieties*

FOR THE YEAR ENDED APRIL 30, 1952



H. J. HEINZ COMPANY

BOX 57, PITTSBURGH 30, PA.

## INDEX



Directors, Officers, and Operating Executives . . . . .	1
Summary of Consolidated Financial Results . . . . .	2
President's Report to Stockholders and Employees . . . . .	3
Accountants' Report . . . . .	7
Consolidated Balance Sheets . . . . .	8, 9
Statements of Consolidated Surplus . . . . .	10
Statements of Consolidated Income . . . . .	11
Notes to Financial Statements . . . . .	12, 13
Ten-Year Summary of Income Statements . . . . .	14, 15
Heinz Locations Throughout the World . . . . .	16, 17
Here are the 57 Varieties . . . . .	18

# H. J. HEINZ COMPANY

PITTSBURGH, PA.

## DIRECTORS

*H. J. Heinz II	T. B. McCafferty
*H. N. Riley	Charles Heinz
A. L. Schiel	*Frank Armour, Jr.
L. M. Melius	*F. B. Cliffe
*J. H. Letsche	J. L. Given
Franklin Bell	Harvey Williams

A. C. Coney

\*Member Executive Committee

## OFFICERS AND OPERATING EXECUTIVES

H. J. Heinz II	President
H. N. Riley	Executive Vice President
J. H. Letsche	Vice President
Frank Armour, Jr.	Vice President
F. B. Cliffe	Vice President
T. B. McCafferty	Secretary
J. F. Allen	Assistant to the President
Franklin Bell	Director of Advertising and Public Relations
C. A. Brinkman	Treasurer
N. E. Daniels	Vice President—Purchases
R. B. Gookin	Comptroller
B. D. Graham	General Sales Manager
Charles Heinz	Vice President—Personnel
F. C. Heinz	Vice President—Industry Relations
L. M. Melius	Director of Canadian Operations and Foreign Sales
C. L. Rumberger	Vice President—Research and Quality Control
P. K. Shoemaker	Vice President—Manufacturing
Harvey Williams	Vice President—Overseas Operations

## TRANSFER AGENTS

City Bank Farmers Trust Company, New York, N. Y.  
Mellon National Bank and Trust Company, Pittsburgh, Pa.

## REGISTRARS

Guaranty Trust Company of New York, N. Y.  
Fidelity Trust Company, Pittsburgh, Pa.

## DIVIDEND DISBURSING AGENT

Mellon National Bank and Trust Company, Pittsburgh, Pa.

## ANNUAL MEETING

Last Tuesday of August  
2 P.M. Pittsburgh, Pa.

# H. J. HEINZ COMPANY

AND SUBSIDIARIES

## SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

	Fiscal Year Ended		
	April 30, 1952	May 2, 1951	May 3, 1950
Net Sales.....	\$205,991,208	\$189,098,235	\$170,508,252
Net Income transferred to Surplus.....	\$ 5,812,359	\$ 7,422,535	\$ 4,364,017
Net Income as a Percentage of Net Sales.....	2.8%	3.9%	2.5%
Net Income per Share of Common Stock.....	\$ 3.25	\$ 4.19*	\$ 2.38*
Dividends Paid on Preferred Stock.....	\$ 329,997	\$ 341,535	\$ 347,131
Dividends Paid on Common Stock.....	\$ 2,788,309	\$ 2,534,875	\$ 2,534,875
Dividends Paid per Share of Common Stock.....	\$ 1.80	\$ 1.50*	\$ 1.50*
Net Income Retained in Business.....	\$ 2,694,053	\$ 4,546,125	\$ 1,482,011
Net Income Retained per Share of Common Stock....	\$ 1.59	\$ 2.69*	\$ .88*
Total Taxes charged to Income.....	\$ 7,174,026	\$ 10,163,415	\$ 5,642,557
Total Taxes per Share of Common Stock.....	\$ 4.25	\$ 6.03*	\$ 3.34*
New Capital Obtained.....	\$ 900,000	\$ 2,500,000	\$ 2,250,000

\*Adjusted for 20% stock dividend paid in October, 1951.

# PRESIDENT'S REPORT TO STOCKHOLDERS AND EMPLOYEES

## SALES AND EARNINGS

During the 83rd fiscal year of the Company, which closed April 30, 1952, we sold the largest volume of Heinz products in our history. Consolidated sales totaled \$205,991,000 or 9% above last year. Sales of the American company increased 4% and foreign subsidiaries total sales were up 21%.

Like other American companies in the food processing industry, our net earnings after tax were substantially below last year, amounting to \$5,812,000 or 22% less than the \$7,423,000 reported a year ago. While the earnings of the American company declined, the Company's foreign subsidiaries each had greater net earnings than last year.

The major influences on the American company's earnings were the inflationary forces which prevailed during most of the year. The abnormal demand which was stimulated by the outbreak of the Korean war created market shortages of ingredients which were not corrected until the harvest of 1951, resulting in unusually high costs. Prices for tomatoes were the highest we have ever paid, although the tomato crop was the largest ever produced. Cucumber prices reached a new high and many other important ingredients were more costly than last year. Wages and the cost of tin cans, glass containers and other packaging materials and services all increased.

The bountiful harvest of 1951 produced ample supplies of food and created a highly competitive market which limited our ability to recover these higher costs by increasing prices. The selling prices of more than 80% of our products were lower than ceiling prices permitted by the Office of Price Stabilization (OPS).

## GOVERNMENT CONTROLS

While OPS has had but limited effect on the pricing of our products, the existence of OPS regulations has been an important factor in our operations. They

required seemingly endless calculations, constant analysis, review and interpretation, and a considerable amount of executive time, all of which was costly and non-productive.

For a three month period, beginning October 1, 1951, regulations on the use of tinplate restricted production of some non-seasonal varieties. These restrictions have since been removed and we do not anticipate any serious limitations on the availability of tin cans during the coming year. We were able to obtain all necessary materials to complete our Pittsburgh construction program. A Controlled Materials plan is still in effect, but we have been able to purchase adequate supplies for our American operations.

## INVENTORIES

Inventories of all companies increased to \$76,603,000 or 13% above last year and appear to be in good balance compared with current sales rates. The increase over last year was due to a higher level of sales and to the fact that last year's inventories, particularly of seasonal products, had been reduced abnormally by the heavy sales that followed outbreak of the Korean war in June, 1950.

## DIVIDENDS

Dividends were declared and paid quarterly in annual amounts of \$3.65 per preferred share and \$1.80 per common share. In addition to the regular quarterly cash dividends, in October there was distributed to common shareholders a special stock dividend of one additional share of common stock for each five shares held.

## IMPROVEMENT OF FACILITIES

At the Pittsburgh plant the modernization program begun three years ago is nearing completion. The renovated Employees' Service Building which was completed during the year includes new locker rooms, shower and dressing rooms, medical and employment

offices, employees' cafeterias, factory and administration offices, and a 500 seat auditorium.

A four story, 396 foot long building constructed of steel, aluminum and blue glass was completed during the year, providing the finest Vinegar making facilities in existence.

An 8½ million cubic foot Finished Goods Warehouse is already being used to a limited extent and will be fully occupied by the end of December. Finished goods will be delivered to the Warehouse by a conveyor system which will carry all products directly from the labeling machines to the Warehouse, where they will be mechanically palletized and stored.

A new boiler house at Holland, Michigan replaces outmoded facilities which were inadequate for the much larger volume which is now being produced at Holland.

#### ADVERTISING AND PROMOTION

This company owes much to its long and continuous record of intelligent advertising. Heinz was one of the few outstanding advertisers at the turn of the century. It is one of the many today. Through consistent advertising in all major media, many of the 57 Varieties have become leaders in their field. More and more, competition has increased its effort to obtain a bigger share of the market. Perhaps never before has it been so necessary to aggressively advertise and merchandise Heinz 57 Varieties.

With the rapid growth of population and its increased buying power, the development of super-markets and self-service, Heinz advertising and merchandising promotions must be planned and co-ordinated to achieve maximum impact at the point-of-sale. During the past year at regular intervals leading grocery chains, super-markets and independent stores of the nation have staged outstandingly successful sales of the 57 Varieties. As a result, our products are more prominently displayed and featured by good food merchandisers. And more importantly, their sales records prove that their customers are buying an ever-increasing volume of Heinz 57 Varieties.

#### QUALITY CONTROL AND RESEARCH

The quality reputation of the 57 Varieties is based upon painstaking attention to the many details of food preparation which might affect the flavor and nutritional value of the products.

Heinz standards of quality are based upon a long-

established philosophy of management that the 57 Varieties must always be demonstrably better. To accomplish this objective our Quality Control personnel at each of our plants closely supervise all production to insure that our standards of quality are maintained.

Research is closely allied to Quality Control, for continuous study and experimentation is necessary to insure the adoption of technological improvements and the development of new knowledge. Research is responsible for the improvement of raw materials such as tomatoes and cucumbers through plant genetics; the development of new handling and processing methods; creation and refinement of recipes; and for new equipment of advanced design. Our Research staff must be concerned with every detail that might result in greater uniformity of product and more economy of operation. There is little that is spectacular in this type of continuing research but the cumulative results are better products and lower costs.

#### PERSONNEL AND ORGANIZATION

Our personnel program has two basic objectives: first, to create and maintain a congenial atmosphere and pleasant working conditions that will make Heinz a good place to work; second, to encourage the maximum development of the abilities and skills of all employees.

The completion of the modernized and enlarged employees' restaurants and dressing rooms and the Medical Department and Personnel offices at the Pittsburgh plant early in the year was an outstanding physical improvement for the health and comfort of our employees. We now have one of the most modern employees' facilities in industry. Other improvements ranged from better housing for field labor to the modernization of office space at various locations.

Outstanding, too, for the benefit of Heinz women was the completion of the new Eden Hall Lodge, an exceptionally attractive addition to the recreation and convalescent facilities maintained by the Eden Hall Farm Foundation.

Continued emphasis has been placed on our community relations in those places where we live and work. Heinz people everywhere are encouraged to participate in the affairs of their community. More than 200 corporate contributions were made to community, educational, health and welfare projects.

A discussion course in the fundamentals of the

American economy was developed and practically all Pittsburgh employees participated in the program.

Whenever possible, all supervisory and executive positions are filled by promotion within our organization. In August, 1951, Frank B. Cliffe, former Comptroller and Treasurer, was elected Vice President and Chief Financial Officer; C. A. Brinkman was elected Treasurer; and R. B. Gookin, Comptroller. Both Mr. Brinkman and Mr. Gookin previously were Assistant Comptrollers.

Two directors of the company were elected Vice Presidents. In November, 1951, Charles Heinz was elected Vice President—Personnel; and Harvey Williams was elected Vice President—Overseas Operations.

In December, 1951, F. C. Heinz was elected Vice President—Industry Relations; N. E. Daniels was elected Vice President—Purchases; P. K. Shoemaker was elected Vice President—Manufacturing; and C. L. Rumberger was elected Vice President—Research and Quality Control.

The service records of these men range from five to thirty-five years.

J. B. Holcomb, Director and General Sales Manager, retired April 30, 1952 because of ill health after having served in various positions in the Sales Department since 1925. He was succeeded as General Sales Manager by B. D. Graham, former Western Area Sales Manager.

F. T. Sherk, former General Manager of Sales and Advertising, was elected Executive Vice President of H. J. Heinz Company of Canada Ltd. on January 1, 1952 succeeding L. M. Melius, who continues as a Director of the Canadian and parent companies. J. F. Scruton, Director and Vice President—Sales and Advertising of H. J. Heinz Company of Canada Ltd., retired. L. D. Crimp was elected a director and was appointed General Manager of Sales and Advertising of the Canadian company.

J. A. W. Ross, former Director of Sales, was elected Managing Director in charge of Operations, H. J. Heinz Company Pty. Ltd., Melbourne, Australia. J. D. Bolton, former Manufacturing executive in the American company, was elected Director of Manufacturing of the Australian company.

A personnel division was established by H. J. Heinz Company Ltd., Harlesden, England and J. E. Hutchinson a director of that company was appointed Director of Personnel.

#### AUSTRALIAN SUBSIDIARY

During the year the parent company purchased all of the capital stock of the H. J. Heinz Company Pty. Ltd. of Melbourne, Australia from H. J. Heinz Company Ltd. of Harlesden, England, thus securing direct control of the Australian company. The Australian company had an unusual increase in both sales and profits, continuing the trend of recent years. Our present production facilities in Australia are operating substantially at capacity.

An indication of our confidence in the future of our business in Australia is the decision to build a large food processing factory at Dandenong, Victoria. Negotiations with the Australian Government relative to the construction of such a plant have been satisfactorily concluded. A 70 acre site has been acquired at Dandenong about 20 miles southeast of Melbourne. Orders for all major items of machinery and equipment, including structural and reinforcing steel, have been placed in the United States, Great Britain, Germany, Switzerland or Australia. When complete, this will be the largest food processing factory in the Southern Hemisphere. The cost is estimated at more than £A 3,000,000.

Financing this project has included an agreement with the Australian Mutual Provident Society, the largest insurance company in the Commonwealth, under which the Society will loan to H. J. Heinz Company Pty. Ltd. a maximum of £A 4,000,000 at 4¼%—a portion of such loan being amortized by a sinking fund commencing in 1956, and any unpaid balance maturing in 1976.

The rate at which critical building materials become available and the speed with which civil authorities are able to supply necessary utilities will determine when factory production can begin.

#### BRITISH SUBSIDIARY

Despite tighter credit and less buoyant business conditions during the last half of its fiscal year, our British business sold the largest volume of Heinz products, 22% increase over 1951, and earned the largest net profit in its 54 year history. The imposition of an Excess Profits Tax from January 1, 1952 materially increased the tax burden on profits earned in the United Kingdom for the last four months of the fiscal year and will have an even greater impact on profits of the coming year. Nevertheless, the directors of our British Company anticipate that the level of

profits and dividends can be maintained providing no unexpectedly adverse conditions arise during the next few months.

During the year, the British Capital Issues Control approved the payment of a stock dividend by our British Company on the basis of one share for each three Shares of Ordinary Stock. The purpose of this dividend is to capitalize a portion of the Company's reserves and undistributed surplus so that its issued share capital may more adequately reflect the total value of the capital employed in the business. Approval was also given to the sale of a sufficient number of Ordinary Shares to raise £550,000, which will provide added working capital to finance the expanded sales volume. Upon the conclusion of this financing, the parent company will own slightly more than 91% of the Ordinary Shares of the British subsidiary.

Our British subsidiary is constructing a new warehouse at Harlesden to accommodate goods manufactured for its rapidly growing export business. Export sales in the fiscal year just ended are nine times those of 1948.

A Quick Freezing Plant at Parbold, Lancashire has been purchased and will be used to freeze vegetables harvested at the height of the season so that they may be held for use in production out of season, thereby benefiting production schedules.

#### CANADIAN SUBSIDIARY

Our business in Canada continued to progress at a most satisfactory rate. On January 1, 1952 the sales headquarters of the Canadian company which had been located at Toronto, Ontario were moved to Leamington, Ontario, thus concentrating manufacturing, sales and administrative functions at Leamington. This consolidation of management permits a much closer coordination of all of the activities of the business and greater operating efficiency.

#### LOOKING FORWARD

Australia has experienced a deflationary trend in its economy since mid-1951 and the short term outlook is for a continuation of this trend. Despite the economic adjustment now occurring in Australia we are planning for increased sales. The country's longer range prospects for increased population and higher national income justify our confidence in the Australian Company as an important source of future strength in our world business.

Great Britain continues to have serious economic difficulties. The conditions which brought about the chronic imbalance of payments and resultant drain on monetary reserves still exist. The Churchill government elected in October, 1951, has taken prompt and drastic action to curb imports, encourage exports, balance the budget and check inflation, but the ultimate results of this policy are still unknown.

We are aware of the difficulties and uncertainties facing the United Kingdom but because of the strength of our market position and the public preference for Heinz products in Britain, we anticipate that our British subsidiary will enjoy higher sales and satisfactory profits again in the coming year.

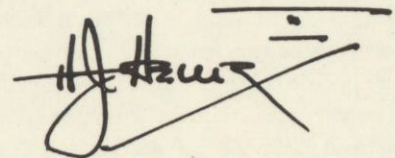
General business activity in Canada continued at a high level throughout the year and the Canadian dollar reflected the improvement in economic conditions by moving to a premium over the United States dollar. The outlook is for continued high level business activity in Canada. The management of our Canadian company is planning on increased sales next year and a further strengthening of our market position.

In the United States we anticipate that the national income will be maintained at approximately the current high levels and that there will be a continuing strong demand for processed foods.

We do not anticipate any decrease in the intensity of competition. We have an aggressive marketing program which we believe will be effective in increasing our sales volume and our share of the market.

Many of our ingredient costs are expected to be at a slightly lower level than the abnormal prices which prevailed during much of last year. The improvements that have been made in our physical facilities should permit more efficient operations. We are continuing to improve our management techniques, with emphasis on more effective controls of production, distribution and administrative costs.

We are planning for improved sales and earnings for the current year and we are confident that our objectives will be reached.



PEAT, MARWICK, MITCHELL & CO.

CERTIFIED PUBLIC ACCOUNTANTS

HENRY W. OLIVER BUILDING

PITTSBURGH 22, PA.

ACCOUNTANTS' REPORT

To the Board of Directors,  
H. J. Heinz Company:

We have examined the consolidated balance sheet of H. J. Heinz Company and subsidiaries as of April 30, 1952 and the related statements of income and surplus for the fiscal year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records of the Company and its Canadian subsidiary and such other auditing procedures as we considered necessary in the circumstances. The accounts of the British and Australian subsidiaries have been consolidated, as indicated in Note 1, on the basis of their financial statements for the year which have been audited by firms of chartered accountants whose reports we have reviewed.

In our opinion, based upon such examination and review, the accompanying consolidated balance sheet and consolidated statements of income and surplus present fairly the financial position of H. J. Heinz Company and subsidiaries at April 30, 1952 and the results of their operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Peat, Marwick, Mitchell & Co.*

June 12, 1952

# H. J. HEINZ COMPANY

AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

### ASSETS

	<u>April 30, 1952</u>	<u>May 2, 1951</u>
<b>CURRENT ASSETS:</b>		
Cash.....	\$ 5,709,460	\$ 6,695,566
Marketable securities—at cost, approximating market.....	2,538,718	8,505,134
Accounts receivable:		
Trade, less allowance for doubtful accounts.....	16,372,504	14,068,681
Sundry.....	1,116,078	944,537
Inventories—at average cost or replacement market whichever lower:		
Finished goods.....	43,086,252	36,271,804
Work in process.....	4,570,248	4,436,041
Ingredient and packaging materials.....	28,946,583	27,140,455
	<u>76,603,083</u>	<u>67,848,300</u>
Prepaid insurance, supplies, taxes and sundry.....	2,892,713	2,343,525
Total current assets.....	<u>105,232,556</u>	<u>100,405,743</u>
<b>OTHER ASSETS:</b>		
Investment in and advances to non-consolidated Spanish subsidiary—at cost (Note 1).....	233,578	233,578
Miscellaneous.....	573,794	661,137
	<u>807,372</u>	<u>894,715</u>
<b>FIXED ASSETS:</b>		
Land—at cost.....	2,598,242	2,467,171
Buildings and leasehold improvements—at cost, less accumulated depreciation of \$9,225,826 in 1952.....	18,342,010	13,834,816
Equipment and fixtures—at cost, less accumulated depreciation of \$19,572,767 in 1952.....	22,737,282	18,419,096
Pittsburgh plant modernization program in progress.....	2,702,672	5,509,624
Lug boxes, baskets and pallets—at cost, less amortization.....	1,265,565	903,959
	<u>47,645,771</u>	<u>41,134,666</u>
	<u>\$153,685,699</u>	<u>\$142,435,124</u>

(See accompanying notes to financial statements)

# H. J. HEINZ COMPANY

AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

### LIABILITIES

	<u>April 30, 1952</u>	<u>May 2, 1951</u>
<b>CURRENT LIABILITIES:</b>		
Notes payable and loans on open credit (including portion of serial notes due within one year).....	\$ 10,341,321	\$ 2,179,666
Accounts payable.....	7,957,382	7,886,859
Current portion of liabilities under profit sharing and retirement plans..	1,803,170	1,692,801
Accrued expenses.....	4,312,293	3,975,007
Estimated liability for Federal and foreign taxes on income.....	6,515,824	7,598,489
Total current liabilities.....	<u>30,929,990</u>	<u>23,332,822</u>
<b>LONG-TERM DEBT AND OTHER LIABILITIES:</b>		
2.90% promissory notes—principal due from 1954 to 1969.....	15,000,000	15,000,000
3.25% serial notes of Canadian subsidiary—principal due from 1953 to 1959.....	1,575,000	1,800,000
4.25% promissory notes of Australian subsidiary—principal due from 1956 to 1976 (Note 3).....	896,000	—
Liabilities under management profit sharing plan, less portion payable within one year.....	3,531,377	3,407,501
Other non-current liabilities (principally future British income taxes)....	2,359,689	2,015,418
	<u>23,362,066</u>	<u>22,222,919</u>
<b>INTERESTS IN BRITISH SUBSIDIARY HELD BY OTHERS:</b>		
Preference shares—at redemption value.....	4,410,000	4,410,000
Ordinary shareholders' equity in capital and surplus.....	628,523	594,249
	<u>5,038,523</u>	<u>5,004,249</u>
<b>CAPITAL STOCK AND SURPLUS:</b>		
Cumulative preferred stock—authorized 190,160 shares—par value \$100 per share—issuable in series:		
3.65% series—authorized, issued and outstanding, 90,160 shares in 1952 (Note 2).....	9,016,000	9,220,400
Common stock—authorized 2,000,000 shares—par value \$25 per share—issued 1,921,593 shares—held in treasury 232,216 shares—outstanding 1,689,377 shares in 1952.....	42,234,425	35,206,600
Capital surplus.....	4,719,412	3,870,243
Earned surplus:		
Reserved for possible future inventory price decline, possible loss in foreign assets, and other contingencies (Note 3).....	5,000,000	5,000,000
Unappropriated (Note 4).....	33,385,283	38,577,891
	<u>94,355,120</u>	<u>91,875,134</u>
	<u>\$153,685,699</u>	<u>\$142,435,124</u>

(See accompanying notes to financial statements)

# H. J. HEINZ COMPANY

AND SUBSIDIARIES

## STATEMENTS OF CONSOLIDATED SURPLUS

CAPITAL SURPLUS	Fiscal year ended	
	April 30, 1952	May 2, 1951
Amount at beginning.....	\$ 3,870,243	\$ 3,880,871
Excess of assigned value of common shares issued as stock dividend over par value thereof.....	844,779	—
Excess of par value over cost of preferred stock retired.....	4,390	(10,628)
Amount at end.....	<u>4,719,412</u>	<u>3,870,243</u>
UNAPPROPRIATED EARNED SURPLUS	Fiscal year ended	
	April 30, 1952	May 2, 1951
Amount at beginning.....	38,577,891	34,287,425
Add Net income for the year.....	5,812,359	7,422,535
	<u>44,390,250</u>	<u>41,709,960</u>
Deduct:		
Dividends paid:		
On preferred stock—3.65% series.....	329,997	341,535
On common stock:		
In cash—\$1.80 per share.....	2,788,309	2,534,875
In common stock—281,593 shares (20%) at an assigned value of \$28 per share and cash (\$2,057) in lieu of fractional shares.....	7,886,661	—
	<u>11,004,967</u>	<u>2,876,410</u>
Expenses of issue and redemption premium on preference shares issued at par value by British subsidiary during year, less amount applicable to ordinary shares held by minority interests.....	—	255,659
	<u>11,004,967</u>	<u>3,132,069</u>
Amount at end.....	<u>\$ 33,385,283</u>	<u>\$ 38,577,891</u>

(See accompanying notes to financial statements)

# H. J. HEINZ COMPANY

AND SUBSIDIARIES

## STATEMENTS OF CONSOLIDATED INCOME

	Fiscal year ended	
	April 30, 1952	May 2, 1951
NET SALES.....	\$205,991,208	\$189,098,235
COST OF SALES.....	140,539,302	125,237,906
GROSS PROFIT.....	65,451,906	63,860,329
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (including payments under management profit sharing plan of \$396,456 in 1952).....	54,599,606	48,157,298
OPERATING PROFIT (after provision for depreciation of \$2,641,868 in 1952).....	10,852,300	15,703,031
OTHER INCOME:		
Discounts earned.....	622,749	670,388
Canadian exchange adjustment.....	658,258	—
Adjustment of depreciation for prior years.....	—	597,846
Miscellaneous (net).....	200,937	429,010
	1,481,944	1,697,244
	12,334,244	17,400,275
OTHER DEDUCTIONS:		
Interest expense.....	931,177	658,269
Provision for estimated liability under management profit sharing plan...	405,335	591,591
Additional prior years' income taxes and interest thereon (net).....	—	395,653
	1,336,512	1,645,513
	10,997,732	15,754,762
PROVISION FOR TAXES ON INCOME:		
Federal:		
Normal and surtax.....	2,000,000	4,500,000
Excess profits tax (credit in 1952).....	( 785,000)	875,000
Foreign income and excess profits taxes.....	3,795,950	2,822,525
	5,010,950	8,197,525
	5,986,782	7,557,237
DEDUCT Income applicable to interests in British subsidiary held by others.	174,423	134,702
NET INCOME FOR THE YEAR.....	\$ 5,812,359	\$ 7,422,535

(See accompanying notes to financial statements)

# H. J. HEINZ COMPANY

AND SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS

(1) *Principles of consolidation:* The consolidated financial statements, as in prior years, include the Company and all operating subsidiary companies with the exception of the Spanish subsidiary. Net assets so included at April 30, 1952, were located as follows:

	Total	United States	Canada	British Isles	Australia
Current assets.....	\$105,232,556	\$ 68,925,189	\$ 10,501,945	\$ 20,133,350	\$ 5,672,072
Current liabilities.....	30,929,990	17,617,004	1,972,423	8,929,329	2,411,234
Net current assets.....	74,302,566	51,308,185	8,529,522	11,204,021	3,260,838
Other assets, less other liabilities..	20,052,554	18,333,364	3,134,227	(1,639,787)	224,750
Consolidated net assets.....	\$ 94,355,120	\$ 69,641,549	\$ 11,663,749	\$ 9,564,234	\$ 3,485,588

All assets, except fixed assets, and all liabilities, except long-term debt, of the foreign subsidiaries have been converted generally at rates of exchange prevailing at the end of the fiscal year; fixed assets and long-term debt have been stated at their approximate United States dollar equivalent at the time of acquisition. Currency restrictions in the British Isles and Australia would limit the realization in U. S. dollars of assets located in those countries.

Net sales and net income, included in the consolidated accounts, for the fiscal year ended April 30, 1952, originated as follows:

	Net Sales	Net Income
United States.....	\$141,408,587	\$ 2,267,279
Foreign subsidiaries consolidated.....	64,582,621	3,545,080
	<u>\$205,991,208</u>	<u>\$ 5,812,359</u>

Operating accounts (other than depreciation which was based upon the approximate equivalent dollar cost of fixed assets) were converted generally at average rates of exchange prevailing during the fiscal year. Dividends of \$1,383,977 were received in the United States from the consolidated foreign subsidiaries during the fiscal year.

The accounts of the Spanish subsidiary, as in the prior year, have not been consolidated. At April 30, 1952, the net assets of this subsidiary, as shown by unaudited financial statements, amounted to approximately \$125,000.

# H. J. HEINZ COMPANY

AND SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS, *Continued*

(2) *Cumulative preferred stock*: The 3.65% series cumulative preferred stock is, until October 1, 1954, callable at \$106.75 per share or redeemable through the sinking fund at a maximum of \$104.75 per share and at decreasing prices thereafter. A payment, not exceeding \$200,000, is required to be made to the sinking fund on or before October 1 of each year.

(3) *Commitments and contingencies*: Under the modernization plan, applicable to the Pittsburgh factory, the Company is obligated through open contracts and purchase orders approximating \$1,650,000 at April 30, 1952. Commitments applicable to the Australian plant expansion program approximated £781,000 (Australian) (\$1,750,000) at April 30, 1952; under a long-term loan agreement, entered into during the year, the Australian subsidiary may borrow an aggregate amount of £4,000,000 (Australian) for construction purposes and £400,000 (\$896,000) had been borrowed at April 30, 1952.

Contingencies exist with respect to matters arising in the ordinary course of business which, however, are not considered to be significant in amount.

(4) *Earned surplus*: Under the provisions of the 2.90% promissory notes, the portion of the consolidated earned surplus which is unrestricted as to the payment of cash dividends on the common stock is not less than \$11,540,046.

# H. J. HEINZ COMPANY

AND SUBSIDIARIES

## SUMMARY OF INCOME STATEMENTS FISCAL YEARS ENDED

	April 30, 1952	May 2, 1951	May 3, 1950
Net sales.....	\$205,991,208	\$189,098,235	\$170,508,252
Cost of sales.....	140,539,302	125,237,906	116,902,380
Gross profit.....	65,451,906	63,860,329	53,605,872
Selling, general and administrative expenses.....	54,599,606	48,157,298	45,016,235
	10,852,300	15,703,031	8,589,637
Other income—including foreign exchange adjustments.....	1,481,944	1,697,244	641,925
	12,334,244	17,400,275	9,231,562
Other deductions—including interest expense and provision for management profit-sharing.....	1,336,512	1,645,513	1,179,647
	10,997,732	15,754,762	8,051,915
Provision for taxes on income.....	5,010,950	8,197,525	3,567,234
	5,986,782	7,557,237	4,484,681
Deduct income applicable to interests in British subsidiary held by others.....	174,423	134,702	120,664
Net income for the year.....	5,812,359	7,422,535	4,364,017
Appropriated for possible future inventory price decline, possible loss in foreign assets and other contingencies.....	—	—	—
Balance of net income—to earned surplus.....	\$ 5,812,359	\$ 7,422,535	\$ 4,364,017
Balance of net income per share of common stock—after preferred dividends.....	\$3.25	\$4.19(A)	\$2.38
Cash dividends per share of common stock.....	1.80	1.50(A)	1.50

(A) Per share figures have been adjusted for 1951 and prior years to give effect to the 20% stock distribution in October, 1951; and for fiscal years 1943 to 1946, inclusive, to give effect to the conversion of 4 shares for 1 share in October, 1946.

# H. J. HEINZ COMPANY

AND SUBSIDIARIES

## SUMMARY OF INCOME STATEMENTS FISCAL YEARS ENDED

<u>April 30, 1949</u>	<u>April 30, 1948</u>	<u>April 30, 1947</u>	<u>April 30, 1946</u>	<u>April 30, 1945</u>	<u>April 30, 1944</u>	<u>April 30, 1943</u>
\$174,877,723	\$169,455,201	\$144,245,863	\$114,150,564	\$112,815,488	\$ 93,351,553	\$ 84,076,441
<u>120,633,171</u>	<u>118,725,604</u>	<u>100,415,998</u>	<u>80,223,367</u>	<u>78,948,651</u>	<u>63,693,999</u>	<u>57,411,000</u>
54,244,552	50,729,597	43,829,865	33,927,197	33,866,837	29,657,554	26,665,441
<u>43,351,189</u>	<u>40,623,698</u>	<u>29,750,557</u>	<u>24,652,220</u>	<u>22,800,953</u>	<u>19,616,528</u>	<u>19,308,705</u>
10,893,363	10,105,899	14,079,308	9,274,977	11,065,884	10,041,026	7,356,736
<u>1,034,837</u>	<u>995,614</u>	<u>1,150,223</u>	<u>446,031</u>	<u>244,184</u>	<u>598,088</u>	<u>109,106</u>
11,928,200	11,101,513	15,229,531	9,721,008	11,310,068	10,639,114	7,465,842
<u>1,114,622</u>	<u>575,052</u>	<u>461,401</u>	<u>379,051</u>	<u>543,205</u>	<u>366,851</u>	<u>248,957</u>
10,813,578	10,526,461	14,768,130	9,341,957	10,766,863	10,272,263	7,216,885
<u>4,291,976</u>	<u>4,493,137</u>	<u>6,163,844</u>	<u>4,661,065</u>	<u>6,284,809</u>	<u>6,383,515</u>	<u>3,566,088</u>
6,521,602	6,033,324	8,604,286	4,680,892	4,482,054	3,888,748	3,650,797
<u>70,554</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
6,451,048	6,033,324	8,604,286	4,680,892	4,482,054	3,888,748	3,650,797
<u>—</u>	<u>1,000,000</u>	<u>2,500,000</u>	<u>628,808</u>	<u>1,082,020</u>	<u>224,183</u>	<u>330,763</u>
<u>\$ 6,451,048</u>	<u>\$ 5,033,324</u>	<u>\$ 6,104,286</u>	<u>\$ 4,052,084</u>	<u>\$ 3,400,034</u>	<u>\$ 3,664,565</u>	<u>\$ 3,320,034</u>
 \$3.61	 \$2.77	 \$3.45	 \$2.66	 \$2.21	 \$2.39	 \$2.15
1.50	1.50	1.38	1.25	1.25	1.25	1.25

# HEINZ LOCATIONS THROUGHOUT THE WORLD

## UNITED STATES

PRINCIPAL EXECUTIVE OFFICE: *Pittsburgh, Pa.*

### WAREHOUSES AND SALES OFFICES

Albany, N. Y.	Duluth, Minn.	Louisville, Ky.	Portland, Me.
Atlanta, Ga.	Fort Wayne, Ind.	Memphis, Tenn.	Portland, Ore.
Baltimore, Md.	Grand Rapids, Mich.	Miami, Fla.	Rock Island, Ill.
Birmingham, Ala.	Greensboro, N. C.	Milwaukee, Wis.	Salt Lake City, Utah
*Boston, Mass. (Cambridge)	Harrisburg, Pa.	Newark, N. J.	San Antonio, Texas
Buffalo, N. Y.	Hartford, Conn.	New Orleans, La.	Seattle, Wash.
*Chicago, Ill.	Houston, Texas	*New York, N. Y. (Glendale)	Sioux City, Iowa
Cincinnati, Ohio	Huntington, W. Va.	*Oakland, Calif.	Spokane, Wash.
Cleveland, Ohio	Indianapolis, Ind.	Oklahoma City, Okla.	*St. Louis, Mo.
Columbus, Ohio	Jacksonville, Fla.	Omaha, Neb.	St. Paul, Minn.
Dallas, Texas	Johnstown, Pa.	Peoria, Ill.	Syracuse, N. Y.
Denver, Colo.	Kansas City, Mo.	*Philadelphia, Pa.	Toledo, Ohio
Des Moines, Iowa	Knoxville, Tenn.	*Pittsburgh, Pa.	Youngstown, Ohio
*Detroit, Mich.	Los Angeles, Calif.		*Regional Sales Headquarters

### SUB-WAREHOUSES

Allentown, Pa.	Nashville, Tenn.	Savannah, Ga.	Tampa, Fla.
Clarksburg, W. Va.	Norfolk, Va.	Scranton, Pa.	Washington, D. C.
Columbia, S. C.	Providence, R. I.		

### PROCESSING PLANTS

Berkeley, Calif.	Fremont, Ohio	Muscantine, Iowa	Tracy, Calif.
Bowling Green, Ohio	Holland, Mich.	Pittsburgh, Pa.	Watsonville, Calif.
Chambersburg, Pa.	Medina, N. Y.	Salem, N. J.	Winchester, Va.

### SALTING HOUSE DISTRICT HEADQUARTERS

Big Rapids, Mich.	Greeley, Colo.	Isleton, Calif.	Portage, Wis.
Fremont, Mich.	Holland, Mich.	Plymouth, Ind.	Saginaw, Mich.

*Numerous vegetable and pickle receiving stations operate in the areas surrounding the plants and salting houses.*

## CANADA

H. J. HEINZ COMPANY OF CANADA, LTD.

HEAD OFFICE: *Leamington, Ontario*

### WAREHOUSES AND SALES BRANCHES

Halifax, Nova Scotia	Ottawa, Ontario	Sault Ste. Marie, Ontario	Calgary, Alberta
Quebec, Province of Quebec	Toronto, Ontario	Winnipeg, Manitoba	Edmonton, Alberta
Montreal, Province of Quebec	Leamington, Ontario	Regina, Saskatchewan	Vancouver, British Columbia

### SUB-WAREHOUSES

Charlottetown, Prince Edward Island	Fort William, Ontario	Dawson Creek, British Columbia
Halifax, Nova Scotia	Saskatoon, Saskatchewan	Victoria, British Columbia
Cape Breton Island, Nova Scotia	Lethbridge, Alberta	Cranbrook, British Columbia
St. John, New Brunswick	Grand Prairie, Alberta	Fernie, British Columbia

### PROCESSING PLANTS

Leamington, Ontario      Wallaceburg, Ontario

## GREAT BRITAIN

H. J. HEINZ COMPANY, LTD.

HEAD OFFICE: *London*

### SALES BRANCHES

Belfast	Bristol	Edinburgh	Ipswich	London	Nottingham	Rochester
Birmingham	Cardiff	Glasgow	Leeds	Manchester	Plymouth	Sheffield
Bradford	Dundee	Hull	Liverpool	Newcastle	Preston	Southampton

### PROCESSING PLANTS

London      Standish      Parbold

## AUSTRALIA

H. J. HEINZ COMPANY, PTY. LTD.

HEAD OFFICE: *Melbourne, Victoria*

### SALES BRANCHES

Sydney, New South Wales      Melbourne, Victoria      Brisbane, Queensland      Adelaide, South Australia

### PROCESSING PLANTS

Melbourne, Victoria      Devonport, Tasmania

## SPAIN

H. J. HEINZ COMPANY (ESPANA) S. L.

HEAD OFFICE: *Seville*

PROCESSING PLANT: *Seville*

From these business locations throughout the world, our products are distributed to hundreds of thousands of large and small stores, hotels, restaurants and other institutions in more than 200 countries and territories.

## HERE ARE THE 57 VARIETIES

1. Heinz Oven-Baked Beans with Pork and Tomato Sauce.
2. Heinz Oven-Baked Beans—Boston Style.
3. Heinz Oven-Baked Beans in Tomato Sauce.
4. Heinz Chili Con Carne.
5. Heinz Condensed Split Pea Soup.
6. Heinz Condensed Cream of Green Pea Soup.
7. Heinz Condensed Cream of Mushroom Soup.
8. Heinz Condensed Cream of Tomato Soup.
9. Heinz Condensed Beef Noodle Soup.
10. Heinz Condensed Bean Soup.
11. Heinz Condensed Gumbo Creole Soup.
12. Heinz Condensed Chicken Soup with Rice.
13. Heinz Condensed Chicken Noodle Soup.
14. Heinz Condensed Cream of Chicken Soup.
15. Heinz Condensed Clam Chowder.
16. Heinz Condensed Beef Soup with Vegetables.
17. Heinz Condensed Vegetable Soup with Beef Stock.
18. Heinz Condensed Vegetable Soup without Meat.
19. Heinz Mince Meat.
20. Heinz Puddings—Fig and Plum.
21. Heinz Cooked Spaghetti.
22. Heinz Cooked Macaroni.
23. Heinz Apple Jelly.
24. Heinz Blackberry Jelly.
25. Heinz Crabapple Jelly.
26. Heinz Elderberry Jelly.
27. Heinz Grape Jelly.
28. Heinz Red Currant Jelly.
29. Heinz Raspberry Jelly.
30. Heinz Peanut Butter.
31. Heinz Pickles—Sweet and Sour.
32. Heinz Chow Chow Pickle.
33. Heinz Processed Dill Pickles.
34. Heinz Fresh Cucumber Pickle.
35. Heinz Sweet Mustard Pickle.
36. Heinz India Relish.
37. Heinz Pickled Onions.
38. Heinz Pre-Cooked Cereals for Infants.
39. Heinz Strained Fruits.
40. Heinz Strained Vegetables.
41. Heinz Strained Meat Products.
42. Heinz Strained Desserts.
43. Heinz Junior Fruits.
44. Heinz Junior Vegetables.
45. Heinz Junior Meat Products.
46. Heinz Junior Desserts.
47. Heinz Prepared Mustard.
48. Heinz Tomato Juice.
49. Heinz Tomato Ketchup.
50. Heinz Chili Sauce.
51. Heinz 57 Sauce.
52. Heinz Worcestershire Sauce.
53. Heinz Dehydrated Horse Radish.
54. Heinz Cider Vinegar.
55. Heinz White Vinegar.
56. Heinz Malt Vinegar.
57. Heinz Tarragon Vinegar.

Distributed for other Manufacturers—Sun-Maid Raisins, Magic Onions.



